

UTAH RETURN HAS NEW LOOK

Your 2004 Utah return is designed to be scanned, enabling us to process your return faster and with fewer errors. To ensure the most efficient processing of your return, please follow these guidelines.

- Remember what you learned in kindergarten - stay within the lines of each box.
- Use black or dark blue ink only. Do not use felt tip pen.
- Print only one number or letter in each box.
- Do not enter pennies anywhere on the return - enter only whole dollar amounts.
- If a line or box does not apply to you, leave it blank.
- Don't use dollar signs, slashes or parenthesis in the boxes.
- Send in the original return - keep a copy for your records.

Numbers or letters are read by a machine so please enter the numbers or letters as follows.

, 1 2 7 , 4 6 9 . 0 0

If entering a loss on line 4, use a minus sign.

- , 6 7 8 , 9 0 1 . 0 0

E-filing your Utah State income tax return is...



Secure
Accurate
Fast
Economical

Electronic filing is inexpensive and, in some cases, free. Plus, there's no faster way to get your refund.

There are three different ways you can e-file: **software packages**, **tax preparers** and **TaxExpress**. No matter which option you choose, your return is safely transmitted using modern encryption technology. All three methods are very accurate.

Software Packages

Commercial tax software can be purchased from your local computer supplies store or downloaded online (see incometax.utah.gov/filingsoftware.html). Using the software is as easy as answering some simple questions. The software does the math and e-files your return.

Tax Preparer

If you're not the do-it-yourself type, you can have a professional tax preparer e-file for you. Your preparer will complete and file both your state and federal returns *at the same time*.

TaxExpress



If you qualify, you may file your state return using TaxExpress, an online free filing service offered by the Utah State Tax Commission. Learn more about TaxExpress at taxexpress.utah.gov.

Owe Taxes?

Pay tax due online with a credit card or e-check. See page 15 or visit paymentexpress.utah.gov.



Getting a Refund?

Direct Deposit is the fastest way to get your money. Your refund will go directly to your checking or savings account. See page 15.

Customer Service:

taxmaster@utah.gov

(801) 297-2200, In the Salt Lake area

(800) 662-4335, Outside the Salt Lake area

Walk-in Service:

Ogden, 2540 Washington Blvd, 7th Floor
Provo, 150 E. Center St. #1300
Salt Lake City, 210 N. 1950 W.
St. George, 359 E. Riverside Dr.

Hours: Monday - Friday, 8:00 a.m. to 5:00 p.m.
Saturday and extended service hours will be announced.

TDD: If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811 or Telecommunications Device for the Deaf (801) 297-2020. Please allow three working days for a response.

Obtain Forms:

incometax.utah.gov

Automated forms ordering:

(801) 297-6700, In the Salt Lake area

(800) 662-4335 ext. 6700, Outside Salt Lake
Visit participating libraries and post offices.

Mail your return and/or payment:

Mail your return and/or payment using the **envelope in this booklet**.

To speed up your refund, blacken the box on the front of the envelope.

Don't have a preprinted envelope?

REFUND - Mail your return to:

Utah State Tax Commission
210 North 1950 West
Salt Lake City, Utah 84134-0260

PAYMENTS and/or ALL OTHER returns -
Mail to:

Utah State Tax Commission
210 North 1950 West
Salt Lake City, Utah 84134-0266

What's New?

- **Interest Rate:** The Utah interest rate for the 2005 calendar year is **4 percent**. See page 2.
- **New Voluntary Contributions:** You may now contribute to a Utah College of Applied Technology, Uniform School Fund and Wolf Depredation Fund. See page 13.
- **Farm Operation Hand Tools Credit:** A refundable credit is available for sales tax paid on hand tools purchased and used in a farm operation in Utah. See page 15.
- **Nonresident Active Duty Military Pay:** An adjustment is made to eliminate any nonresident active duty military pay before calculating the Utah income tax. See page 9.
- **Activated National Guard and Reserves Receiving Active Duty Military Pay:** Active duty military pay received by activated National Guard or Reservists is exempt from Utah tax. See page 9.
- **Third Party Designee:** You may now designate a third party to discuss your current return with the Tax Commission. See pages 15 and 16.

Volunteer Income Tax Assistance (VITA)

VITA volunteers provide tax preparation service to low-income, elderly and disabled taxpayers. Some VITA sites have the capability of filing electronically. Contact the IRS by calling 1-800-829-1040 to find the site nearest you.

Who Must File

1. Every Utah resident who is required to file a federal income tax return;
2. Every non or part-year resident having income from Utah sources who is required to file a federal return;
3. Taxpayers requesting a refund of any overpayment of income tax regardless of the amount of gross income; or
4. Every individual with Utah income that meets the following requirements:

Marital Status at end of 2004:	Filing Status:	At end of 2004 you were:	And gross income is at least:
Single	Single	Under 65	\$7,950
		65 or older	\$9,150
	Head of Household	Under 65	\$10,250
		65 or older	\$11,450
	Qualifying Widow(er)	Under 65	\$12,800
		65 or older	\$13,750
Married with dependent child, living apart from spouse during last 6 months of 2004	Head of Household	Under 65	\$10,250
		65 or older	\$11,450
Married, living with spouse at end of 2004 or up to date spouse died	Married joint return	Under 65 (both)	\$15,900
		65 or older (one spouse)	\$16,850
		65 or older (both spouses)	\$17,800
	Married separate return	Any age	\$3,100
Married, not living with spouse at end of 2004 or up to the date spouse died	Married joint or separate return	Any age	\$3,100

If you must file a state return, first complete a federal return, even if you're not required to file with the IRS. Information from the federal return is needed to complete the state return.

Income Tax Exemption: You may be exempt from Utah individual income tax if your federal adjusted gross income is less than the sum of your federal standard deduction and personal exemptions for the taxable year. See page 9.

When To File and Pay

TIP Quarterly estimated tax payments are **NOT** required.

You must file your return and pay any income tax due:

1. By April 15, 2005, if you file on a 2004 calendar year basis (tax year ends December 31, 2004); or,
2. By the 15th day of the fourth month following the close of the fiscal year, if you file on a fiscal year basis.

All Utah income taxes for the year 2004 must be paid by the due date. If your return is not filed on time, you may be subject to penalties and interest. (See "Penalties and Interest" instructions on page 2.)

Where To File

Mail your return and/or payment using the **envelope in this booklet**. If you don't have a preprinted envelope, refer to the correct mailing addresses on the inside front cover for mailing returns with refunds or payments.

What to Attach

TIP Except as stated below, do not attach copies of credit authorization forms. The Tax Commission may request these forms at a later time.

- **Withholding Forms:** To receive credit for Utah taxes withheld, you must attach all Utah tax withholding forms (e.g., W-2, 1099R, 1099MISC, TC-675R, etc.).
- **Schedules:** If you completed TC-40A, TC-40B and/or TC-40C, file the completed schedule(s) with your return.
- **Federal K-1:** If the nonresident shareholder's tax credit (code 43) is claimed on line 31, attach this form.
- **Other Adjustments:** If any other adjustments are deducted, attach a schedule or explanation.

Recordkeeping and Documentation

Keep copies of any receipts, state forms, worksheets, credit authorization forms and other documentation to support any income, deductions, exemptions and credits you have reported on your return.

Extension of Time to File

TIP There is **NO** extension of time to pay your taxes – only an extension of time to file your tax return.

You are automatically allowed an extension of up to six months to file your return without filing an extension form. *However, if the prepayment requirements (see next paragraph) are not met on or before the original due date (April 15th), penalties will be assessed.* (See "Penalties and Interest" instructions on page 2.) All extension returns must be filed by October 17, 2005.

Prepayment Requirements for Filing Extension

TIP All prepayments are due on or before April 15, 2005.

The required prepayment must equal:

- Ninety percent (90%) of the tax due for 2004; or
- One hundred percent (100%) of your 2003 Utah tax liability. See line 18 of your 2003 Utah return.

A prepayment may be in the form of withholding (W-2, TC-675R, TC-675M, 1099R, etc.), tax credit, and/or payment made on or before the tax due date using form TC-546, "Prepayment of Income Tax." Interest will be assessed on unpaid tax from the filing due date until the tax is paid in full. Penalties may also be assessed.

Penalties and Interest

PENALTIES

Utah law provides for uniform tax penalties for failure to file tax returns, failure to pay tax due, and failure to file information returns or supporting schedules.

The penalty for **failure to file a tax due return** by the due date is the greater of \$20 or 10 percent of the unpaid tax. If a tax balance is still unpaid 90 days after the due date, a second penalty of \$20 or 10 percent of the unpaid tax, whichever is greater, will be added for failure to pay timely.

The penalty for **failure to pay tax due** as reported on a timely filed return, or within 30 days of a notice of deficiency, is \$20 or 10 percent of the tax due, whichever is greater.

The penalty for **underpayment of an extension prepayment** is 2 percent per month of the unpaid tax during the extension period. If the return is not filed by the extension due date, failure to file and failure to pay penalties will apply, as if the extension had not been granted.

For a list of additional penalties that may be imposed, refer to UCA §59-1-401 and Pub 58.

INTEREST (In addition to penalties due)

Interest will be assessed at the rate prescribed by law from the original due date until any outstanding liability is paid in full. The interest rate for most taxes and fees administered by the Tax Commission for the 2005 calendar year is **4 percent**. Pub 58, which contains applicable interest rates, is available on the Internet at tax.utah.gov or by calling or writing the Tax Commission.

The Tax Commission will bill the taxpayer if any penalty or interest is owed.

Domicile Defined

"Domicile" is the place where an individual has a permanent home and to which he intends to return after being absent. It is the place at which an individual has voluntarily fixed his habitation, not for a special or temporary purpose, but with the intent of making a permanent home. A domicile, once established, is not lost until each of the following three elements are met: 1) a specific intent to abandon the former domicile; 2) the actual physical presence in a new domicile; and 3) the intent to remain in the new domicile permanently.

For more information on determining residency, see Tax Commission rules R865-91-2 and R884-24P-52. Visit our website at incometax.utah.gov.

Utah Resident Defined

A Utah resident is an individual who:

1. Is domiciled in Utah for the entire year, even if temporarily outside of Utah for an extended period of time – even years in certain situations;
2. Is domiciled in Utah for any period of time during the taxable year, but only for the duration of that period;
3. Even though domiciled outside Utah, maintains a permanent place of abode within the state and spends a total of 183 days or more of the taxable year within Utah. This does not apply to military personnel or their spouses who are in Utah on military assignment, unless they are Utah residents.

All income received during the period of Utah residency is taxable in Utah, regardless of the source of that income.

Part-Year Resident Defined

A part-year resident is an individual who is domiciled in Utah for part of the year and is domiciled outside Utah for part of the year. All income received during the period of Utah residency by a part-year resident is taxable in Utah, regardless of the source of that income. Income from Utah sources is taxable in Utah during the period of nonresidency.

Nonresident Defined

A nonresident individual is one who was not in Utah or was in Utah for temporary purposes for less than 183 days during the taxable year. Income received by a nonresident from Utah sources is taxable in Utah.

Filing For A Deceased Taxpayer

A return must be filed for a deceased individual who would have been required to file an income tax return. The personal representative, executor, administrator, legal representative or survivor must sign and file the final return and any other returns still due. Persons, other than surviving spouse, claiming a refund on behalf of the deceased, must attach form TC-131, "Statement of Person Claiming Refund Due a Deceased Taxpayer," to the front of the return. Also, see pages 4 and 15 for additional instructions for deceased taxpayers.

Military Personnel

1. Residents: Utah residents who enter military service do not lose their Utah residency or domicile solely by being absent due to military orders. They still must file a resident income tax return in Utah on all income, regardless of the source. If income tax is required to be paid to another state on nonmilitary income, a credit may be allowed for the tax paid to the other state. If taxes are owed to another state, refer to line 19 of your state income tax return and complete and attach form TC-40A, included in this booklet.
2. Nonresidents: Nonresidents stationed in Utah solely due to military orders are not subject to Utah tax on their military pay. However, nonresident personnel or members of their family residing in Utah with earned income from Utah sources, other than active military service pay, are required to file a Utah income tax return and pay any tax due. See instructions on page 9 and Pub 57.
3. Married couples: The spouse of a person in active military service is generally considered to have the military person's domicile and is subject to the same income tax laws and rules that apply to the military

person. If one spouse is a full-year Utah resident and the other spouse is a nonresident, the couple may file separate Utah income tax returns, even though they filed a joint federal income tax return. See "Special Instructions" below and Pub 49.

Native Americans

1. **Residents:** Native Americans who are domiciled and earn income in Utah should file a Utah income tax return.
 - Enrolled members of a Native American tribe or nation in Utah, who live and work on the reservation on which they are enrolled, are exempt from Utah income tax on income earned on the reservation.
 - Enrolled members of the Ute Tribe who work on the Uintah and Ouray Reservation and live on land removed from that reservation under Hagen v. Utah (510 U.S. 399 (1994)) are exempt from Utah income tax on income earned on the reservation.
2. **Nonresidents:** Nonresident Native Americans who are not domiciled on a reservation within Utah, but earn income from Utah sources, must file a Utah income tax return and pay any tax due.

Students

1. **Residents:** A Utah resident, who is a student at a non-Utah school (full or part-time) is required to file a Utah return and pay tax on all income, regardless of the source. If income tax is required to be paid to another state on income that is also taxed by Utah, a credit may be allowed for the tax paid to the other state. To claim credit for taxes paid to another state, refer to line 19 of your Utah income tax return and complete and attach form TC-40A, included in this booklet. Do not send a copy of the other state's return. Keep the other state's return and all related documents with your records.
2. **Nonresidents:** A nonresident student who is attending a Utah school is required to file a Utah state income tax return and pay Utah tax on income, such as wages, rental income, business income, etc. earned from Utah sources.

Special Instructions



Pub 49 - Special instructions for when one spouse is a full-year resident and the other is a nonresident - incometax.utah.gov.

Couples who qualify to use Special Instructions may file a federal return as married filing joint and file Utah returns as married filing separate. Couples who do not qualify to use Special Instructions must file the Utah return using the same filing status as the federal return.

To file using Special Instructions, one spouse must be a full-year Utah resident and the other spouse must be a nonresident. If either spouse is a part-year resident they cannot file using Special Instructions.

Injured Spouse and Innocent Spouse Provisions

Injured Spouse: If your spouse brought prior outstanding state tax or other liabilities into the marriage, any refund may be offset against that liability. You may be entitled to claim a part or all of any refund under the injured spouse provisions. See specific details on our website at tax.utah.gov/billing/innocent.html.

Innocent Spouse: If your spouse omitted income or claimed false deductions for which you did not receive any benefit, you may be entitled to relief from the tax liability. See specific details on our website at tax.utah.gov/billing/innocent.html.

Rounding Off To Whole Dollars

Round off cents to the nearest whole dollar. Round down if cents are under 50 cents; round up if cents are 50 cents and above. **Do not enter cents anywhere on the return.**

Amended Returns

To amend, use the tax form and instructions for the year you are amending.

Amend your return promptly if:

- An error is discovered on your state or federal return after it has been filed; or
- Your federal return is audited or adjusted by the IRS and the IRS audit or adjustment affects your state return. You must amend your state return within 90 days of the IRS's final determination. If you are unsure whether or not your state taxes are affected by an audit or adjustment, contact the Tax Commission.

Generally, an amended return must be filed within three years following the date the original return was due to qualify for a refund or a credit. A return filed before the due date is considered filed on the due date. If an amended return must be filed based on changes made by the IRS, a claim for refund or credit must be made within two years after a Utah amended return was required to be filed.

How to Amend a 2004 Utah Income Tax Return

- A. Enter a number in the box titled "For Amended Return - Enter code (1-5)" that best corresponds to your "**Reason For Amending.**" See codes below.

Reasons For Amending (enter number on return)

- 1 You filed an amended return with the IRS (attach a copy of your amended federal return).
- 2 You made an error on your state return (attach an explanation of the error).
- 3 Your tax calculation was changed by an IRS audit and/or adjustment (attach a copy of the IRS adjustment).
- 4 You had a net operating loss. Utah treats net operating losses in the same manner as the federal return. If your amended return is the result of a carryback net operating loss, complete an income tax return for each year you are amending (attach a copy of your amended federal return).
- 5 Other (attach explanation to return).

- B. Complete the return by entering the corrected figures.
- C. Enter other amounts shown on your original return. If you received a refund on your original return, enter the amount of previous refunds on line 24 of the 2004 amended return. If you paid with the original return or made subsequent payments of the tax prior to filing the amended return, enter the total previous payments on line 30 of the 2004 amended return. Contributions on line 23 cannot be changed after the original return is filed.

Line-by-Line Instructions

Name, Address, Social Security Number

TIP Your social security number(s) and name(s) must match your social security card(s).

Type or print your social security number(s), name(s), address and telephone number(s), including area code, in the spaces provided. If filing married jointly or separately, enter the spouse's name and social security number. You must enter the social security numbers in the same order that your names appear on the form.

DECEASED TAXPAYER

If you are filing for a taxpayer who died during the tax year (including a deceased spouse), type or print the deceased individual's name and social security number and your mailing address and telephone numbers. Check the box, "Deceased in 2004 or 2005," if applicable. *See pages 2 and 15 for additional information.*

SOCIAL SECURITY NUMBER DISCLOSURE

Each individual filing a Utah individual income tax return must disclose his or her social security number pursuant to Tax Commission Administrative Rule R861-1A-15. The social security number is used as a unique identifier on the State's automated income tax system. All information on the income tax return is confidential and protected from unauthorized disclosure by federal and state laws.

1. Filing Status

If you filed a joint federal return, you must file a joint state return unless the "Special Instructions" apply.



Pub 49 - Special instructions for when one spouse is a full-year resident and the other is a nonresident - incometax.utah.gov.

Check the box that matches the filing status shown on your federal return:

1040 and 1040A, lines 1 through 5

1040EZ and TeleFile, there is no federal filing status listed. Select a filing status that corresponds to your federal filing status.

2. Exemptions

TIP For lines 2a through 2c, enter the same number of exemptions claimed on your federal return.

- Enter a "1" if you claim yourself. If someone else, such as a parent, is claiming you as their dependent on their federal return, you must claim "0." If you checked "YES" on line 5 of your 1040EZ or line B of your federal TeleFile record, enter "0."
- Enter a "1" if you claimed your spouse as an exemption on your federal return. If someone else, such as a parent, is claiming your spouse as their dependent on their federal return, you must enter "0."
- Enter the number of other dependents claimed on line 6c of the federal return 1040 or 1040A.
- Qualified disabled dependent exemption. Complete form TC-40D, "Disabled Exemption Verification," each year for each disabled exemption claimed (explanation follows). Do not send form TC-40D with your return. Keep the form and all related documents with your records. Enter the total disabled exemptions. *To qualify for this exemption, the individual must be claimed as a dependent on your tax return. Neither the taxpayer nor the taxpayer's spouse qualifies for this exemption.*
- Add all exemptions and enter the total.

Qualifications for Disabled Exemptions Infants and Toddlers with Disabilities

(Ages 0 through 2 years)

A representative from either the State Department of Health or a local early intervention program is authorized to approve this credit. For additional information, contact the Utah Department of Health, Early Intervention Program, PO Box 144720, 44 N. Medical Dr., SLC, UT 84114-4720, telephone (801) 584-8226 or 1-800-961-4226.

School-Age Persons with Disabilities

(Ages 3 through 21 years)

Children eligible for the exemption must be diagnosed by a local school district (under guidelines adopted by the State Board of Education), as having a disability classified as: autism, deafness, developmental delay (ages 3 through 7), dual sensory impairment (deaf/blind), hearing impairment, intellectual disability, multidisability, orthopedic impairment, other health impairment, traumatic brain injury, or visual impairment, AND must not be currently receiving residential services from the Division of Services to People with Disabilities (Department of Human Services) or from the school for the deaf and blind. Students with only learning disabilities, behavior disorders, or communication disorders are not eligible for this exemption. Questions concerning programs for children may be directed to your local school district, local school, or the Utah State Office of Education, PO Box 144200, 250 E 500 S, SLC, UT 84114-4200, telephone (801) 538-7700.

Adults With Disabilities

(Age 18 and older)

The eligible adult for this exemption must:

- Be 18 years or older;
- Be eligible for services under Title 62A, Chapter 5 (Services to People with Disabilities);
- Not be enrolled in an education program for students with disabilities authorized under Section 53A-15-301; and
- Not be enrolled in a school established under Title 53A, Chapter 25 (Schools for the Deaf and Blind).

A support coordinator from the Division of Services for People with Disabilities is authorized to sign the form TC-40D to certify that the adult with disabilities is either enrolled in division services or qualifies for this exemption. A primary care physician or licensed psychologist familiar with the adult's disabilities may also sign form TC-40D, certifying the person qualifies for this exemption.

Questions concerning programs for adults may be directed to the Utah Department of Human Services, Division of Services for People with Disabilities, 120 N 200 W, Room 411, SLC, UT 84103, telephone (801) 538-4200.

Form TC-40D is available on the Internet or by calling or writing the Tax Commission or one of the agencies noted above.

3. Election Campaign Fund

If your Utah income tax liability on line 18 of your Utah income tax return is \$2 or more (\$4 if married filing jointly), you may designate \$2 to be distributed to the campaign fund for the party of your choice. If this is a joint return, your spouse may also designate \$2 to the party of his or her choice. This will not reduce your refund or increase the amount of taxes you owe.

4. Federal Adjusted Gross Income

Enter your federal adjusted gross income (FAGI) from your federal return:

1040, line 36 **1040EZ**, line 4
1040A, line 21 **TeleFile Tax Record**, line 1
1040NR, line 34 **1040NR-EZ**, line 10

5. State Income Tax Itemized on 2004 Federal Schedule A

TIP If you did not itemize your deductions on federal return 1040, leave blank.

If you filed federal form 1040 and you claimed any income tax paid to Utah, another state, the District of Columbia, or possession of the United States as an itemized deduction on line 5 of federal Schedule A, enter an amount as follows:

- For federal adjusted gross income LESS than or equal to \$142,700 (or \$71,350 for married filing separate) on line 4 on this return, enter the state income tax itemized from your federal Schedule A, line 5.
- For federal adjusted gross income GREATER than \$142,700 (or \$71,350 for married filing separate) on line 4 on this return, complete the following worksheet to determine the amount to enter.

WORKSHEET

- Add lines 4, 9, 14, 18, 19, 26 and 27 from federal Schedule A \$ _____
- Add lines 4, 13 and 19, plus any gambling losses included on line 27 of federal Schedule A \$ _____
- Subtract worksheet line 2 from line 1. If your answer is zero, stop here. Enter the amount from federal Schedule A, line 5 on line 5 of your Utah return \$ _____
- Enter the amount from line 28 on federal Schedule A \$ _____
- Subtract line 4 from line 1 \$ _____
- Subtract line 5 from line 3 \$ _____
- Divide line 6 by line 3 (decimal rate) _____
- Multiply the amount on line 5 of federal Schedule A by the rate on line 7. Enter amount here and on line 5 of your Utah return \$ _____

6. Additions to Income

Write the **code and amount** of each addition to income you are required to report on lines 6a through 6d. Enter the sum of all additions on line 6. An explanation of each addition to income follows the list below.

Codes for lines 6a through 6d

- 51** Lump Sum Distribution
52 State Taxes Allocated from an Estate or Trust
53 Medical Savings Account (MSA)
54 Utah Educational Savings Account (UESP)
55 Reimbursed Adoption Expenses
56 Child's Income Excluded from Parent's Return
57 Municipal Bond Interest

(51) Lump Sum Distribution

TIP If you did not file your federal return using form 4972, leave blank.

If you received a lump sum distribution and filed federal form 4972, add any amount shown on Part II, line 6 and the amount shown on Part III, line 10 of federal form 4972.

Shared Distributions: If you shared a lump sum distribution, first multiply the amount on line 10 of form 4972 by the distribution percentage shown in box 9a on your 1099R form. Then add the amount shown on Part II, line 6 on form 4972. Keep a copy of federal form 4972 and any 1099R forms showing the distribution with your records.

(52) State Taxes Allocated From an Estate or Trust

If state taxes were allocated to you by the fiduciary, include that amount. If a state tax refund was allocated to you by the fiduciary, include that amount as a negative number.

(53) Medical Savings Account (MSA) *Utah residents only*

The account holder of an MSA should receive a "Statement of Withholding for Utah Medical Savings Account," form TC-675M, from the account administrator each year contributions are made. Include the sum of lines 8 and 9 from form TC-675M. Keep form TC-675M with your records.

(54) Utah Educational Savings Plan (UESP)

An account holder (participant) in the Utah Educational Savings Plan should receive a "Statement of Contribution for Utah Educational Savings Plan," form TC-675H, from the UESP trustee. Any amount of principal refunded to the account holder, for which the account holder received a prior tax deduction, must be added back to income. The amount of principal refunded is shown in box 2 of form TC-675H. Keep form TC-675H with your records. If you have any questions about UESP, call 1-800-418-2551.

(55) Reimbursed Adoption Expenses

Include any adoption expense previously deducted from Utah income for which you received reimbursement from your insurance company, a public welfare agency, or a private charitable organization.

(56) Child's Income Excluded from Parent's Return

Parents who elect to report a child's interest and dividends on their federal return must add to their Utah income any child's income that was excluded from the parent's federal adjusted gross income. Use the following worksheet to calculate the amount to be added back.

- Enter \$1,600 **OR** the sum of the child's taxable interest, ordinary dividends and capital gains distributions (federal form 8814, line 4), whichever is less \$ _____
- Federal amount not taxed \$ **800**
- Subtract line 2 from line 1. If less than zero, enter zero. Add this amount to Utah income \$ _____

(57) Municipal Bond Interest

Interest from certain bonds, notes and other evidences of indebtedness (commonly known as municipal bonds) issued by non-federal governmental entities outside Utah will be subject to Utah's income tax if acquired after January 1, 2003. However, interest earned on non-Utah municipal bonds will not be subject to Utah tax if the state (or political subdivision) issuing the bonds does not impose an income tax on bonds issued by Utah. For detailed information and a reciprocity list, visit the Tax Commission website, incometax.utah.gov.

7. Total Adjusted Income

Add lines 4 through 6.

8. Standard/Itemized Deductions

Itemized Deductions: If you itemized your deductions on your federal return, you must use the itemized deduction on your state return.

1040, line 39

1040NR, line 36

1040NR-EZ, line 11

Standard Deduction: The standard deduction is located on the following federal forms:

1040, line 39

1040A, line 24

Federal TeleFile Tax Record, line J, box 1

1040EZ, if you checked "Yes" on line 5 of federal form 1040EZ, enter the amount from line E, of the "worksheet for dependents who checked Yes on line 5" located on the back of form 1040EZ. If you are single and checked "No" on line 5, enter \$4,850. If you are married filing joint and both checked "NO" on line 5, enter \$9,700.

9. Personal Exemptions

The Utah personal exemption is \$2,325 per person (75 percent of the federal personal exemption). If your federal adjusted gross income from line 4 on this return is less than or equal to the amount in the **AGI TABLE** (below) for your filing status, multiply \$2,325 by the number of exemptions claimed in box 2e and enter the result.

If your federal adjusted gross income on line 4 exceeds the **AGI TABLE** (below) amount for your filing status, you are subject to a reduced personal exemption amount. Multiply your federal exemption amount from line 41 on federal form 1040 by 0.75 and enter the result.

AGI TABLE	Filing Status
\$107,025	Married-separate
\$142,700	Single
\$178,350	Head of household
\$214,050	Married-joint or Qualifying widow(er)

Note: If your income exceeds the AGI TABLE amounts and you claim a special disabled exemption (line 2d), complete the following worksheet to determine your state exemption amount.

High Income Worksheet for Disabled Exemption

- Federal form 1040 line 41 x 0.75= \$_____
- Number of exemptions from federal form 1040, line 6d or 1040NR, line 7d _____
- Divide line 1 by line 2. Enter results \$_____
- Number of state exemptions on line 2e _____
- Multiply line 3 by line 4 and enter results \$_____ This is your Utah personal exemption amount. Enter on line 9.

10. Deduction for One-half of the Federal Tax

TIP Self-employment and household employment taxes MAY NOT be included in this deduction.

Locate the federal tax amount from the following federal forms:

1040A, line 36

1040EZ, line 10

Federal TeleFile Tax Record, line K box 2 titled "Tax."

1040, add lines 56 and 59. *NOTE: If any "Recapture Taxes" were reported on federal form 1040, they must be added to the total of lines 56 and 59.*

1040NR, add lines 51 and 54

1040NR-EZ, line 15

Divide the federal tax amount by two and enter the result.

11. State Tax Refund Included In Federal Income

TIP If you did not itemize deductions on your 2003 federal form 1040, leave blank.

If you were required to report any state income tax refund on line 10 of your 2004 federal form 1040, you can deduct that amount.

12. Retirement Income Exemption/ Deduction

Complete and attach form TC-40B to determine your allowable exemption/deduction for retirement income.

A. Taxpayers age 65 or older

Each taxpayer (you, and/or your spouse if filing jointly) who was 65 or older at the end of the tax year is entitled to an income exemption of \$7,500. This exemption is limited by the amount of your adjusted gross income plus certain interest income. Complete and attach form TC-40B to determine the retirement exemption allowed.

B. Taxpayers under age 65

TIP Disbursements from deferred compensation plans, such as 401K and 457 plans, DO NOT qualify for this deduction.

Each taxpayer (you, and/or your spouse if filing jointly) who was under 65 at the end of the tax year and received retirement income may qualify for a deduction up to \$4,800, but not in excess of the qualifying income. Attach copies of all forms 1099R, SSA-1099, TC-40B and other documentation to support this deduction.

1. Qualifying Income

Qualifying income comes in the form of pensions, annuities or taxable retirement social security benefits. The deduction is only available to the taxpayer who earned the qualifying income. Pensions and annuities of one spouse that qualify as retirement income MAY NOT be divided between both spouses. The deduction is limited by adjusted gross income plus certain interest income. Complete form TC-40B to determine the retirement deduction allowed.

For purposes of determining this deduction, pensions, annuities and taxable retirement social security benefits that meet the following criteria are considered to be "retirement income:"

- Paid from an annuity contract purchased under a plan which has been contributed to by your employer and is not revocable by you as provided under Section 404(a)(2) of the Internal Revenue Code;
- Purchased by an employee under a plan which meets the requirements of Section 408 of the Internal Revenue Code (commonly known as "IRA" plans);
- Paid by the United States, a state thereof, or the District of Columbia;
- Taxable retirement social security benefits (excluding disability and survivor benefits), only if included in your federal adjusted gross income.

2. Income that does NOT qualify

The following are examples of income that does not qualify for the retirement deduction:

- Disbursements from deferred compensation plans, such as 401K and 457 plans;
- Disability income;
- Lump sum distributions from a "retirement plan" when your employment was terminated prior to meeting your employer's normal retirement requirements;
- A distribution from a "retirement plan" that was terminated by your employer;
- Qualified income, including disability and social security survivors benefits, received by a child on behalf of a deceased employee.

13. Other Deductions

Write the **code and amount** of each deduction from income you are allowed to claim on lines 13a through 13f. Enter the sum of all "other deductions" on line 13. An explanation of each deduction follows the list below.

Codes for lines 13a through 13f

- 71 Interest from U. S. Government Obligations
- 72 Medical Savings Account (MSA)
- 73 Utah Educational Savings Plan (UESP)
- 74 Health Care Insurance Premiums
- 75 Long-term Care Insurance Premiums
- 76 Adoption Expenses
- 77 Native American Income
- 78 Railroad Retirement
- 79 Equitable Adjustments (Other)
- 81 Gains on Capital Transactions
- 82 Nonresident Active Duty Military Pay
- 83 National Guard & Reserves Active Duty Military Pay

(71) Interest from U. S. Government Obligations



Pub 33 - Detailed instructions and examples of Interest from U. S. Obligations

Interest earned on U. S. Government obligations issued by an agency or instrumentality of the United States is **exempt** from state income tax. U. S. Government obligations include:

- Treasury bills,
- Treasury notes, and
- E, EE, H, HH and I bonds

Income **NOT** exempt from Utah state income tax includes:

- Interest or dividends from Federal National Mortgage Association (FNMA) and Government National Mortgage Association (GNMA); and

- Interest on refunds from the IRS or any federal agency.

For further questions about taxability of interest income, you may use the following test developed by the U. S. Supreme Court in *Smith vs. Davis* 323 U.S. 111 (1944) to determine if the instrument qualifies as a U. S. Government obligation. The instrument must:

1. Be a written document,
2. Bear interest,
3. Contain a binding promise by the U. S. Government to pay a specific sum on a specific date, and
4. Have congressional authorization to pledge the full faith and credit of the United States in support of the promise to pay.

Only interest or dividend income from U. S. Government obligations included in your federal adjusted gross income is exempt from state income tax. Before entering an amount, subtract any related expenses claimed as deductions on your federal return, such as interest expense on money borrowed to purchase bonds or securities, or ordinary and necessary expenses paid or incurred in connection with producing exempt income.

Keep all records, forms and worksheets to support this deduction.

(72) Medical Savings Account (MSA) *Utah residents only*

If you claimed MSA amounts on federal form 1040, you CANNOT claim MSA amounts on lines 6 or 13 of your state return. The UTAH RESIDENT account holder of an MSA should receive a "Statement of Withholding for Utah Medical Savings Account," form TC-675M, from the account administrator. Include the sum of lines 5 and 6 from form TC-675M. Keep form TC-675M with your records.

(73) Utah Educational Savings Plan (UESP)

Each Utah taxpayer is entitled to an income tax deduction of up to \$1,470 per beneficiary for contributions to a UESP account during the tax year. A married couple can deduct up to \$2,940 per beneficiary on a married filing joint return. Contributions are reported in box 1 of form TC-675H, "Statement of Contribution for Utah Educational Savings Plan."

Keep form TC-675H with your records. If you have any questions about UESP, call 1-800-418-2551.

(74) Health Care Insurance Premiums

TIP Premiums that were itemized or otherwise deducted in determining the taxable income on the federal return cannot be deducted on the Utah income tax return.

A taxpayer may deduct the premiums paid by the taxpayer for health care insurance during the taxable year for the taxpayer, spouse and dependents. Qualifying taxpayers are subject to the following requirements and limitations.

REQUIREMENTS

To qualify, the taxpayer or taxpayer's spouse must not be eligible to participate in a plan that is offered and funded (fully or partially) by an employer or former employer. A retiree, who may participate in a plan offered and funded (fully or partially) by a previous employer, cannot take this deduction. Employees who elect not to participate in a plan offered and funded by an employer or former employer cannot claim a deduction. Pre-tax deductions from wages through employer-sponsored programs, such as a cafeteria or flex plan, cannot be claimed as a deduction.

LIMITATIONS

Qualified taxpayers who meet the requirements above may have their deduction limited by:

1. Premiums that are fully or partially reimbursed or funded by the federal, state or any agency or instrumentality of the federal government or state, excluding Medicare.
2. Premiums paid for health insurance that were previously deducted on the federal return under any of the following sections of the Internal Revenue Code.
 - a. Section 125 - cafeteria plans. Generally, this is an employer plan covering all employees and the employees may choose among two or more benefits consisting of cash and qualified benefits.
 - b. Section 162 - trade or business expenses. This is the deduction for self-employed individuals of up to 100 per cent of premiums paid, but not exceeding the taxpayer's net business income.
 - c. Section 213 - medical, dental, etc., expenses. These are itemized expenses that may be deducted on federal Schedule A to the extent they exceed 7.5 percent of the taxpayer's federal adjusted gross income.



Incometax.utah.gov - Detailed instructions and examples for Health Care Insurance Premiums

(75) Long-Term Care Insurance Premiums

You may only deduct amounts paid during 2004 for long-term care insurance policies to the extent the amounts paid for premiums were not deducted from your federal income.

Long-term care insurance policy means any insurance policy designed to provide coverage:

- For not less than 12 consecutive months; and
- For medically necessary services provided in a setting other than an acute care unit of a hospital.

The term "long-term care insurance policy" includes group and individual annuities and life insurance policies or riders that provide or supplement long-term care insurance. The term also includes a policy or rider that provides for payment of benefits based upon cognitive impairment or the loss of functional capacity.

Long-term care insurance does NOT include any insurance policy that is offered primarily to provide:

- Basic Medicare supplement coverage,
- Basic hospital expense coverage,
- Basic medical-surgical expense coverage,
- Hospital confinement indemnity coverage,
- Major medical expense coverage,
- Disability income or related asset-protection coverage,
- Accident only coverage,
- Specified disease or specified accident coverage, or
- Limited benefit health coverage.

(76) Adoption Expenses

Utah allows individuals to subtract qualifying adoption expenses in ONE of three ways: 1) the year in which the expenses are paid or incurred; 2) the year in which the adoption is finalized; or 3) the year in which the taxpayer may claim the federal adoption credit. Qualified adoption expenses may be deducted, even if the adoption process is terminated.

This deduction applies to the actual qualified adoption expenses of the birth mother, the legal guardian of the birth mother (or another acting on behalf of the birth mother), or the adoptive parents. Expenses include:

- Any medical and hospital expenses of the birth mother of the adopted child that are incidental to the child's birth;
- Living expenses of the birth mother (if paid by the adoptive parents as part of their adoption expenses);
- Actual travel costs incurred exclusively for the purpose of completing adoption arrangements; and
- Any welfare agency, child placement service, legal and other fees or costs relating to the adoption.

Keep all records, forms and worksheets to support your deduction.

(77) Native American Income

An enrolled member of a Native American tribe in Utah who lives and works on the reservation on which he/she is an enrolled member is exempt from Utah income tax on the reservation income. An enrolled member of the Ute tribe who works on the Uintah and Ouray Reservation and lives on land removed from that reservation under Hagen v. Utah (510 U.S. 399 (1994)) is exempt from Utah income tax on income earned on the reservation.

On lines 13a through 13f, using code "77," enter the exempt income included in your federal adjusted gross income. Enter your enrollment/census number and a "Native/Tribe Code" in the box designating to which nation/tribe you belong.

Nation/Tribe Code

- 1 Confederated Tribes of the Goshute Reservation
- 2 Navajo Nation Reservation
- 3 Paiute Indian Tribe of Utah Reservation
- 4 Skull Valley Band of Goshute Indians
- 5 Ute Indian Tribe
- 6 Other tribe

(78) Railroad Retirement

Federal law does not allow states to tax railroad retirement income which has been reported on form RRB 1099 (Tier I) or RRB 1099-R (Tier II). If railroad retirement pensions from these forms are deducted on line 12, do not deduct the amounts again on line 13.

Railroad retirement pensions are deductible on the Utah return only to the extent they are taxable on the federal return. If you received pension payments under the Railroad Retirement Act and are required to report all or part of the amount received as income on lines 16b and/or 20b on federal form 1040, or lines 12b and/or 14b of federal form 1040A, you may deduct that amount from Utah income. If amounts derived from sources other than railroad retirement are included on lines 16b and/or 20b of federal form 1040, or lines 12b and/or 14b of federal form 1040A, only deduct the railroad retirement amounts reported on these lines.

(79) Equitable Adjustments (other)

This may include qualified equitable adjustments. Attach a schedule or explanation of any other deductions claimed.

(81) Gains on Capital Transactions

(UCA §59-10-114(2)(m))

A qualified taxpayer may deduct the long-term and short-term capital gain on a transaction if:

- a. The gain occurs on or after 01/01/03;
- b. At least 70% of the proceeds of the capital gain transaction are used to purchase qualifying stock in a

Utah small business corporation within 12 months from when the gain was recognized; and

- c. The individual did not have an ownership interest in the Utah small business corporation that issued the qualifying stock.

For more information and a detailed definition of a Utah Small Business Corporation, visit the Tax Commission website, incometax.utah.gov or refer to UCA §59-10-103(1)(v).

(82) Nonresident Active Duty Military Pay (UCA §59-10-116)

Active duty military service pay received by a nonresident is not taxable on the Utah return. The amount of active duty military pay included in federal adjusted gross income should be deducted on line 13a through 13f. Also, see instructions for line 29 on Schedule C and Pub 57. *If you deduct military pay under code 83, do not claim the same deduction under code 82.*

(83) National Guard and Reserves Active Duty Military Pay (UCA §59-10-114)

If you are a member of the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve or Coast Guard Reserve, and were on active duty during 2004, your active duty military pay included in your 2004 federal adjusted gross income is exempt from Utah tax. If you are a member of the Army National Guard or the Air National Guard and were on active duty during 2004 under orders or called to active duty for purposes of responding to a national emergency for more than 30 consecutive days, your active duty military pay received and included in your 2004 federal adjusted gross income is exempt from Utah tax. Active duty military pay included in federal adjusted gross income should be deducted on line 13a through 13f. For more information see Pub 57. *If you deduct military pay under code 82, do not claim the same deduction under code 83.*

14. Total Deductions

Add lines 8 through 13.

15. Utah Taxable Income

Subtract line 14 from 7. If less than zero, enter zero. If the Utah Taxable Income is zero, skip line 16a and enter zero on line 16b.

16. Calculate Income Tax

TOP If you do not qualify, as explained in 16a instructions, SKIP to the instructions for line 16b.

16a. Qualified Taxpayers

If your federal adjusted gross income (line 4 of the Utah return) is less than or equal to the sum of your federal standard deduction and federal exemption(s) you are exempt from Utah income tax. Complete the "Qualification Worksheet" on this page to see if you qualify.

16b. Tax

Complete the Tax Calculation Worksheet on page 17, using the "Utah 2004 Taxable Income" on line 15. Use "WORKSHEET A" if you filed as Single or Married Filing Separately. Use "WORKSHEET B" if you are Head of Household, Married Filing Jointly, or Qualifying Widow(er).

FULL-YEAR UTAH RESIDENT - This is your Utah tax.

You MUST also complete lines 18 through 36 on the back of the return.

NON OR PART-YEAR RESIDENT - This amount is used to calculate your Utah tax on line 17.

Qualification Worksheet for line 16a

- Enter the federal adjusted gross income from your federal return 1) _____
1040, line 36 **1040EZ**, line 4
1040A, line 21 **TeleFile Tax Record**, line I
1040NR, line 34 **1040NR-EZ**, line 10
- Enter the standard or itemized deductions taken on your federal return 2) _____
1040, line 39 **1040NR-EZ**, line 11
1040A, line 24 **TeleFile Tax Record**, line J, box 1
1040NR, line 36
1040EZ, if you checked "Yes" on line 5, enter the amount from line E on the back of your 1040EZ return. If you are single and checked "No" on line 5, enter \$4,850. If you are married filing joint and both checked "No" on line 5, enter \$9,700.
- Check the filing status reported on your federal return and enter the standard deduction for your filing status shown below: 3) _____
☐ **Single**: Enter \$4,850 (federal 1040NR and 1040NR-EZ filers, enter zero)
☐ **Head of Household**: Enter \$7,150 (federal 1040NR and 1040NR-EZ filers, enter zero)
☐ **Married filing joint**: Enter \$9,700 (federal 1040NR and 1040NR-EZ filers, enter zero)
☐ **Married filing separate**: If your spouse did not itemize, enter \$4,850. If your spouse itemized, enter zero (federal 1040NR and 1040NR-EZ filers, enter zero)
☐ **Qualifying widow(er)**: Enter \$9,700 (federal 1040NR and 1040NR-EZ filers, enter zero)
- Enter the smaller of line 2 or line 3 4) _____
- Enter the exemption amount taken on your federal return 5) _____
1040, line 41 **1040NR-EZ**, line 13
1040A, line 26 **TeleFile Tax Record**, line J, box 2
1040NR, line 38
1040EZ, if you checked "Yes" on line 5, enter the amount from line F on the back of your 1040EZ return. If you are single and checked "No" on line 5, enter \$3,100. If you are married filing joint and both checked "No" on line 5, enter \$6,200.
- Add lines 4 and 5 6) _____
- Subtract line 6 from line 1. If the amount is less than zero, enter zero. 7) _____

If the **amount on worksheet line 7 is greater than 0 (zero)**, leave box 16a blank and calculate your tax following the instructions for line 16b.

If the **amount on worksheet line 7 is 0 (zero)**, you are exempt from paying Utah income tax. Check the box on line 16a and enter the amount from worksheet line 6 in the "Amount from worksheet" box on your return. Enter 0 (zero) in box 16b and skip to line 17.

17. Nonresident and Part-year Resident Only

TOP If you were a full-year Utah resident, SKIP line 17 and go to line 18.

Follow these FOUR STEPS to Calculate Your Tax

STEP 1: Use the Tax Calculation Worksheet on page 17 to calculate the tax for line 16b. See line 16b instructions.

STEP 2: COMPLETE form TC-40C: Non or Part-Year Residents Only, included in this booklet. *Transfer the totals from Columns A and B, line 31 to line 17 of the return.*

STEP 3: On line 17, divide the total in "Box a" by the total in "Box b" and enter the resulting decimal in "Box c" (rounding to four decimal places).

STEP 4: Multiply the amount on line 16b by the decimal in "Box c" on line 17. **This is your Utah tax. You MUST also complete lines 18 through 36 on the back of the return.**

Attach a copy of form TC-40C to your Utah return. Do **not** attach a copy of your federal return. Keep copies of form TC-40C and your federal return with your records.

18. Enter Tax Amount

Full-year residents: Enter the tax from line 16b.

Non or part-year residents: Enter the tax from line 17.

19. Credit for Income Tax Paid To Another State (nonresidents do not qualify)

Complete and attach form TC-40A, "Credit for Tax Paid to Another State." If there are two or more states, use additional copies of form TC-40A. Examples of how to calculate the credit are located on the Tax Commission website, incometax.utah.gov. Keep a copy of the other state's return and all related documents with your records.

TIP Part-year residents will rarely qualify for this credit. If you completed line 17 of the Utah return and the income earned in another state(s) was NOT included in "Column A Utah Income" on form TC-40C, you cannot take this credit.

Do not use the state income tax withheld from the W-2 as the taxes paid to another state. You must complete and file the other state's return to determine the amount of taxes paid.

As a Utah resident, you must report all of your income, regardless of where it was earned.

As a part-year resident, all income received during the period of Utah residency is taxable in Utah, regardless of the source of that income. Income from Utah sources is taxable in Utah during the period of nonresidency.

A Utah resident or part-year resident whose income is taxed by Utah AND another state(s), the District of Columbia, or a possession of the United States, is entitled to a credit against Utah income tax for the amount of tax paid to the other state(s).

Part-year residents will rarely qualify for this credit, as Utah and other states apportion income and only tax the income earned while a resident of that state. To qualify, the income must be:

1. Taxable in Utah,
2. Taxed by another state(s), and
3. Included in "Column A - Utah" income on form TC-40C.

Part-year residents must prorate the tax paid to other state(s). The credit only applies to the portion of the actual taxes paid on income that was taxed in both Utah and the other state.

20. Nonrefundable Credits

TIP Nonrefundable credits can reduce your income tax to zero, but cannot result in a refund.

Write the **code and amount** of each nonrefundable credit you qualify for on lines 20a through 20f. Enter the sum of all "nonrefundable credits" on line 20. An explanation of each nonrefundable credit follows the list below.

Codes for line 20a through 20f

01 At-Home Parent	08 Low-Income Housing
02 Qualified Sheltered Workshop	09 Hiring Disabled
03 Renewable Energy Systems	10 Recycling Market
05 Clean Fuel Vehicle	11 Tutoring Disabled
06 Historic Preservation	12 Research Activities
07 Enterprise Zone	13 Research Mach./Equip.

(01) At-Home Parent Tax Credit (UCA §59-10-108.1)

There is no form for this credit. Keep all related documents with your records.

An at-home parent may claim a nonrefundable credit of \$100 for each child who is not more than 12 months old on the last day of the taxable year for which the credit is claimed. For purposes of this credit, "at-home parent" includes:

- Biological mother or father,
- Stepmother or stepfather,
- Adoptive parents,
- Foster parents,
- Legal guardian, or
- Individuals in whose home the child is placed by a child-placing agency for the purpose of legal adoption.

To qualify for the credit the following criteria must be met:

1. The child must be 12 months or younger on the last day of the taxable year for which the credit is claimed.
2. The at-home parent must provide full-time care in the at-home parent's residence.
3. The child must be claimed as a dependent by the at-home parent.
4. The sum of the at-home parent's total wages, tips and compensation listed on federal W-2 forms and the gross income on federal Schedule C, "Profit or Loss from Business," line 7, or Schedule C-EZ, "Net Profit from Business," line 1, must be \$3,000 or less for the taxable year.
5. If the at-home parent files a joint return, the federal adjusted gross income of both spouses must be \$50,000 or less.

(02) Qualified Sheltered Workshop Cash Contribution Credit (UCA §59-10-108)

TIP Charitable contributions claimed on the federal Schedule A cannot be claimed as a credit on the Utah return.

There is no form for this credit. Keep all related documents with your records. **The name of the qualified workshop must be written on the return to claim credit.**

Cash contributions made within the tax year to a qualified nonprofit rehabilitation sheltered workshop facility operating in Utah for persons with disabilities are eligible for a credit against Utah income taxes. Check with the workshop to make sure they have a current Day Training Provider License or Day Support Provider Certificate issued by the Department of Human Services. The credit is equal to 50 percent of the total cash contributions, not to exceed \$200. Contributions claimed as a tax credit under this section may not also be claimed as a charitable deduction in determining net taxable income.

Contact the Contract Administrator, Division of Services for People with Disabilities, 120 N 200 W #411, SLC, UT 84103; telephone (801) 538-4200; www.hsdspd.utah.gov for more information.

(03) Renewable Energy Systems Tax Credit (UCA §59-10-134)

Complete form TC-40E, "Renewable Energy Systems Tax Credit" with the Utah Energy Office stamp, verifying the credit has been approved. Do not send form TC-40E with your return. Keep the form and all related documents with your records.

To qualify for the Renewable Energy Systems Tax Credit, you must have installed or upgraded a renewable energy system, such as solar or wind generated power system, during the tax period. Energy savings devices, such as insulation, siding, thermal windows, and high efficiency furnaces do not qualify.

In order to determine if your system or system components and installation qualify for the tax credit, you must submit a written application, complete with signatures and photocopies of receipts, to the Utah Energy Office (UEO). Application forms can be obtained from the UEO, 1594 W North Temple, Suite 3610, Box 146480, SLC, UT 84114-6480, telephone (801) 538-5428 or through the Internet at www.energy.utah.gov. If your system meets the eligibility requirements, UEO will send you form TC-40E with information on your eligible system and installation costs and the UEO stamp of approval.

(05) Clean Fuel Vehicle Credit (UCA §59-10-127)

Complete form TC-40V, "Clean Fuel Vehicle Tax Credit," with the Division of Air Quality approval stamp, verifying the credit has been approved. Do not send form TC-40V with your return. Keep the form and all related documents with your records.

To qualify you must have:

- Purchased a vehicle which is registered in Utah, for which this credit has not been taken, that was manufactured to use propane, natural gas, or electricity, or
- Purchased and installed equipment to convert a vehicle registered in Utah to use propane, natural gas, or electricity.

Note: A hybrid vehicle qualifies only if the same vehicle model is manufactured without the clean-fuel fueling system and the hybrid vehicle otherwise meets the requirements for a clean fuel vehicle.

Contact the Division of Air Quality, Department of Environmental Quality, 150 N 1950 W, SLC, UT 84116; telephone (801) 536-4000 to obtain form TC-40V, approval and for additional information.


(06) Historic Preservation Credit (UCA §59-10-108.5)

Complete form TC-40H, "Historic Preservation Tax Credit" with the State Historic Preservation Office certification, verifying the credit has been approved. Do not send form TC-40H with your return. Keep the form and all related documents with your records.

Only Utah residents are allowed this credit. The credit is for costs incurred in connection with qualified rehabilitation of any residential certified historic building. Unused credits may be carried forward five years as a credit against Utah tax due.

Contact the State Historic Preservation Office, 300 Rio Grande, SLC, UT 84101; telephone (801) 533-3563; history.utah.gov/historicpreservation/utahtaxcredit.html to obtain form TC-40H, certification, and for additional information.

(07) Enterprise Zone Credit (UCA §9-2-413)

 An individual may not claim this credit or carry this credit forward into a year that the individual has claimed the recycling market development zone (code 10) or the targeted business income tax credit (line 31, code 40).

There is no form for this credit. Keep all related documents with your records.

The Enterprise Zone Credit is available for certain businesses that hire new full-time employees, rehabilitate buildings or meet certain other requirements in a designated zone.

Any credit amount exceeding the tax owed may be carried forward for a period that does not exceed the next three taxable years.

Native American may apply for enterprise zone designation within an Native American reservation.

If enterprise zone credits are being taken on your ownership in a partnership or S corporation, you must allocate the credits calculated above based on your respective percentage of ownership.

Contact the Department of Community and Economic Development, 324 S. State St., Suite 500, SLC, UT 84111, telephone (801) 538-8782; dced.utah.gov/incentives/enterprizezones.html or email jwilkinson@utah.gov to obtain additional information.

(08) Low-Income Housing Credit (UCA §59-10-129)

Individuals sharing in the credit must obtain form TC-40TCAC, "Utah Low-Income Housing Tax Credit Allocation Certification," and complete form TC-40LI, "Summary of Utah Low-Income Housing Tax Credit." If you are carrying this credit forward or backward, you must also complete form TC-40LIC, "Utah Low-Income Housing Tax Credit Carryback and/or Carryforward." Do not send these forms with your return. Keep the forms and all related documents with your records.

The building project owner must also complete and attach form TC-40LIS, "Credit Share Summary of Low-Income Housing Project" to the return.

This credit is an amount, determined by the Utah Housing Corporation, for the owners of a low-income housing project who have also received an allocation of the federal low-income housing tax credit. Unused credits may be carried back three years or carried forward five years.

When this credit is applicable, the project owner will provide form TC-40TCAC (issued by the Utah Housing Corporation) to the taxpayer.

Contact the Utah Housing Corporation, 554 S 300 E, SLC, UT 84111; telephone (801) 521-6950; www.utahhousingcorp.org for more information.

(09) Credit For Employers Who Hire Persons With Disabilities (UCA §59-10-109)

Complete form TC-40HD, "Tax Credit for Employers Who Hire Persons with Disabilities" showing the required certification. Do not send form TC-40HD with your return. Keep the form and all related documents with your records.

The credit is for employers hiring individuals with disabilities who: (1) worked in this state for at least 6 months in a taxable year for that employer, and (2) are paid at least minimum wage by that employer.

Contact the Division of Services for People with Disabilities, 120 N 200 W #411, SLC, UT 84103; telephone (801) 538-4200; www.hsdspd.utah.gov to obtain certification and for additional information.

(10) Recycling Market Development Zones (UCA §59-10-108.7)

TIP An individual may not claim this credit or carry this credit forward into a year that the individual has claimed the enterprise zone credit (code 07) or the targeted business income tax credit (line 31, code 40).

Complete form TC-40R, "Recycling Market Development Zone Tax Credit," with the Department of Community and Economic Development certification verifying the credit has been approved. Do not send form TC-40R with your return. Keep the form and all related documents with your records.

The Utah legislature has authorized credit to individuals and businesses operating in a designated recycling market development zone as defined in UCA §9-2-1602.

Contact Lester Prall at the Department of Community and Economic Development, 324 S State St., Suite 500, SLC, UT 84111, telephone (801) 538-8804; dced.utah.gov/incentives/recycling.html or email lprall@utah.gov to obtain form TC-40R, certification, and for additional information.

(11) Tutoring Credit For Disabled Dependents (UCA §59-10-130)

There is no form for this credit. Keep all related documents with your records.

The credit is equal to 25 percent, up to \$100, of the costs paid by the taxpayer for tutoring each disabled dependent.

A disabled dependent is defined as a person who: (1) is disabled under UCA §53A-15-301; (2) attends a public or private kindergarten, elementary, or secondary school; and (3) is eligible to receive disability program monies under UCA §53A-17a-111.

Tutoring, for purposes of this credit, means educational services approved by an individual education plan team and provided to a disabled dependent that supplements classroom instruction the disabled dependent receives at a public or private kindergarten, elementary, or secondary school in the state.

Tutoring does not include:

1. Purchases of instructional books and materials; or
2. Payments for attendance at extracurricular activities, including sporting events, musical or dramatic events, speech activities, or driver education.

Contact the Utah State Board of Education at (801) 538-7700 for additional information.

(12) Tax Credit for Increasing Research Activities (UCA §59-10-131)

There is no form for this credit. Keep all related documents with your records.

The credit is for expenses incurred for increasing qualified research activities in Utah. A qualifying taxpayer may claim the credit in the taxable year immediately following the taxable year for which the taxpayer qualifies for the credit.

For detailed information regarding this credit, including definition of terms and procedures for claiming the credit, refer to UCA §59-10-131.

(13) Tax Credit for Machinery and Equipment Used to Conduct Research (UCA §59-10-132)

There is no form for this credit. Keep all related documents with your records.

The credit is for machinery, equipment, or both used primarily for conducting qualified research or basic research in Utah for a time period of not less than 12 consecutive months. A qualifying taxpayer may claim the credit in the taxable year immediately following the taxable year for which the taxpayer qualifies for the credit.

For detailed information regarding this credit, including definition of terms and procedures for claiming the credit, refer to UCA §59-10-132.

21. Subtotal

Add lines 19 and 20.

22. Subtract line 21 from line 18

Nonrefundable credits cannot exceed the tax liability on the return. If the total of the credits shown on line 21 is greater than or equal to the tax on line 18, enter zero.

23. Contributions

TIP Contributions may be made to the following approved funds. Contributions made will add to your tax due or reduce your refund. Any contribution designated on an original return is irrevocable and cannot be changed on an amended return.

Write the **code and amount** of each voluntary contribution on lines 23a through 23f. Enter the sum of all "contributions" on line 23. An explanation of each contribution follows the list below.

Codes for line 23a through 23f

- 01** Utah Nongame Wildlife Fund
- 02** Pamela Atkinson Homeless Trust Fund
- 03** Kurt Oscarson Children's Organ Transplant Fund
- 05** Nonprofit School District Foundation
- 06** Utah College of Applied Technology
- 07** Uniform School Fund
- 08** Wolf Depredation Fund

(01) Utah Nongame Wildlife Fund (UCA §59-10-530)

Contribute \$1 or more. Contributions provide funding to the Utah Division of Wildlife Resources for management, preservation, protection, and perpetuation of nongame wildlife species. For information contact the Utah Division of Wildlife Resources, 1594 W North Temple, Suite 2110, SLC, UT 84116, telephone (801) 538-4853.

(02) Pamela Atkinson Homeless Trust Fund (UCA §59-10-530.5)

Contribute \$2 or more. Contributions provide funds to the Pamela Atkinson Homeless Trust Fund for services and programs statewide to help Utahns become self-sufficient. For information, contact the Utah Department of Community and Economic Development, 324 S State, Suite 500, SLC, UT 84111, telephone (801) 538-8650.

(03) Kurt Oscarson Children's Organ Transplant Fund (UCA §59-10-550)

Contribute \$1 or more. Contributions provide financial assistance to the families of children in need of organ transplants. Contact the representative for the Department of Health, 7247 S Santa Maria Circle, West Jordan UT 84084, telephone (801) 566-5356 or (801) 243-7060.

(05) Nonprofit School District Foundation (UCA §59-10-549(c))

Contribute \$1 or more. Contributions provide funds to private, nonprofit school district foundations established to promote: (1) partnership activities between schools and communities; (2) charitable giving activities to specific educational programs; and (3) opportunities for scientific, educational, literary and improvement objectives. Indicate to which school district you would like your contribution applied by entering the corresponding code in the "SCH/TECH CODE" box to the right of the amount. If you contribute, you must specify one of the following school district codes.

School District Codes for "SCH/TECH CODE" box			
Code	Code	Code	Code
01 Alpine	11 Grand	21 Nebo	31 Sevier
02 Beaver	12 Granite	22 N. Sanpete	32 S. Sanpete
03 Box Elder	13 Iron	23 N. Summit	33 S. Summit
04 Cache	14 Jordan	24 Ogden	34 Tintic
05 Carbon	15 Juab	25 Park City	35 Tooele
06 Daggett	16 Kane	26 Piute	36 Uintah
07 Davis	17 Logan	27 Provo	37 Wasatch
08 Duchesne	18 Millard	28 Rich	38 Washington
09 Emery	19 Morgan	29 Salt Lake	39 Wayne
10 Garfield	20 Murray	30 San Juan	40 Weber
	41 Utah Assistive Technology		

(06) Utah College of Applied Technology (UCA §59-10-549(e))

Contribute \$1 or more. Contributions provide funds to a campus of the Utah College of Applied Technology. Indicate to which campus you would like your contribution donated by entering the corresponding code in the "SCH/TECH CODE" box to the right of the amount. If you contribute, you must specify one of the following campus codes.

Applied Technology Campus code for "SCH/TECH CODE" box	
51	Bridgerland (Box Elder, Cache, Logan and Rich School Districts)
52	Davis (Davis and Morgan School Districts)
53	Dixie (Washington School District)
54	Mountainland (Alpine, Nebo, No. Summit, Park City, Provo, So. Summit and Wasatch School Districts)
55	Ogden-Weber (Ogden City and Weber School Districts)
56	Salt Lake/Tooele (Granite, Jordan, Murray, Salt Lake City and Tooele School Districts)
57	Southeast (Carbon, Emery, Grand and San Juan School Districts)
58	Southwest (Beaver, Garfield, Iron and Kane School Districts)
59	Uintah Basin (Daggett, Duchesne and Uintah School Districts)

(07) Uniform School Fund (UCA §59-10-549(f))

Contribute \$1 or more to the Uniform School Fund.

(08) Wolf Depredation Fund (UCA §59-10-550.1)

Contribute \$1 or more. Contributions provide funding to the Wolf Depredation and Management Restricted Account to be used for payments for livestock depredation by wolves and for wolf management, as permitted by federal law. For information contact the Utah Division of Wildlife Resources, 1594 W North Temple, Suite 2110, SLC, UT 84116, telephone (801) 538-4853 or wildlife.utah.gov.

24. Amended Returns Only - Previous Refunds

This line is used only for amended returns. When filing an amended return, enter the amount of all refunds, credits, or offsets of state income tax received for the tax year being amended. Exclude refund interest from this amount. This amount is then added into your total tax and contributions.

25. Tax From Recapture of Credits

Owners of a low-income housing project and other taxpayers, who have taken the low-income housing credit and disposed of the building or an ownership interest, must recapture any credits that have reduced their tax liability in a previous year. See form TC-40LIC for instructions on calculating the Low-Income Housing Credit Recapture tax.

26. Utah Use Tax

Complete the worksheet on this page to determine the amount of use tax due. Credit for sales tax paid to another state cannot exceed the Utah sales tax that would otherwise be due on those items. If sales taxes were paid to more than one state, complete a worksheet for each state. Enter the sum of the use tax from each worksheet on line 26.

Use tax is required on all taxable items purchased for storage, use or consumption in Utah during the filing year, if sales and use tax was not paid at the time of purchase.

Purchases include amounts paid or charged for purchases made on the Internet or through catalogs. Credit is allowed for sales or use tax paid to another state, but not to a foreign country. If the tax rate in the other state is lower than Utah's tax rate, the person or consumer is required to pay the difference. If the tax rate in the other state is greater

Worksheet for Computing Utah Use Tax Line 26

(Retain this worksheet for your records)

- Total amount of purchases subject to use tax \$ _____
- Use tax rate (decimal from chart) x _____
- Use tax (multiply line 1 by line 2) \$ _____
- Credit for sales tax paid to another state \$ _____
- Use tax due (subtract line 4 from line 3)
Enter ZERO if less than ZERO \$ _____

Use Tax Rate Chart (Effective Dec. 31, 2004)

.0600	Beaver County	.0810	Alta
.0700	Beaver City	.0600	San Juan County
.0600	Box Elder County	.0650	Monticello
.0625	Brigham City, Perry,	.0600	Sanpete County
	Willard	.0625	Ephraim, Gunnison
.0700	Snowville	.0600	Sevier County
.0610	Cache County	.0625	Richfield, Salina
.0635	Cache Valley Transit,	.0610	Summit County
	Hyde Park, Hyrum,	.0735	Park City
	Logan, Millville, Nibley,	.0635	Snyderville Basin Transit
	N. Logan, Providence,	.0600	Tooele County
	Richmond, River	.0625	Erda, Grantsville,
	Heights, Smithfield		Lakepoint, Lincoln,
.0600	Carbon County		Stansbury Park,
.0625	Price, Wellington		Tooele City
.0600	Daggett County	.0650	Uintah County
.0650	Davis County	.0675	Vernal
.0600	Duchesne County	.0600	Utah County
.0625	Roosevelt	.0625	Alpine, American
.0575	Emery County		Fork, Cedar Hills,
.0750	Green River		Highland, Lehi, London,
.0700	Garfield County		Mapleton, Orem,
.0800	Boulder, Panguitch,		Payson, Pleasant
	Tropic		Grove, Provo, Provo
.0600	Grand County		Canyon, Salem,
.0775	Moab		Spanish Fork,
.0600	Iron County		Springville
.0775	Brian Head	.0600	Wasatch County
.0600	Juab County	.0625	Heber
.0625	Nephi	.0725	Park City East
.0675	Kane County	.0600	Washington County
.0775	Kanab, Orderville	.0625	Hurricane, Ivins, La
.0575	Millard County		Verkin, St. George,
.0600	Morgan County		Santa Clara,
.0600	Piute County		Washington City
.0600	Rich County	.0750	Springdale
.0700	Garden City	.0600	Wayne County
.0660	Salt Lake County	.0650	Weber County

than Utah's tax rate, no sales or use tax credit or refund applies.

Enter use tax of \$400 or less. If the amount exceeds \$400, the purchaser is required to obtain a sales and use tax license and to pay the use tax on a sales and use tax return.

Sales and use tax rates vary throughout Utah. Use the chart on page 13 to find the tax rate for the Utah location where the merchandise was delivered, stored, used or consumed. If the city is not listed, use the county tax rate.

27. Total Tax, Use Tax and Additions to Tax

Add lines 22 through 26.

28. Utah Income Tax Withheld

You **MUST** enter the amount of **UTAH TAX WITHHELD** on this line. Utah tax withheld is identified by the code "UT." The state abbreviation and the amount withheld are found on the following forms:

- W-2, boxes 15 and 17
- 1099MISC, boxes 16 and 17
- 1099R, boxes 10 and 11

Nonresident Shareholder's Withholding Tax Credit is entered on line 31 (code 43) and should **NOT** be entered on this line.

29. Credit for Utah Income Taxes Prepaid

Prepayments include payments you made using form TC-546, "Prepayment of Income Tax," and any amount from the previous year's refund applied as a credit to your current tax liability.

Nonresident Shareholder's Withholding Tax Credit is entered on line 31 (code 43) and should **NOT** be entered on this line.

30. Amended Returns Only - Previous Payments

This line should only be used for amended returns. When filing an amended return, enter the amount of tax paid with the original return and/or subsequent payments of the tax prior to filing this amended return.

31. Refundable Credits

Write the **code and amount** of each credit you qualify for on lines 31a through 31f. Enter the sum of all "refundable credits" on line 31. An explanation of each refundable credit follows the list below.

Codes for lines 31a through 31f

- 40 Targeted Business Tax Credit
- 41 Special Needs Adoption Credit
- 43 Nonresident Shareholder's Withholding Tax Credit
- 46 Mineral Production Withholding Tax Credit
- 47 Agricultural Off-highway Gas/Undyed Diesel Tax Credit
- 48 Farm Operation Hand Tools

(40) Targeted Business Income Tax Credit

TIP If an individual claims this credit, the individual may not claim or carry forward an enterprise zone tax credit (line 20, code 07) or recycling market development zone tax credit (line 20, code 10).

Obtain a certified copy of form TC-40TB, "Targeted Business Income Tax Credit." Keep this form and all related documents with your records.

A refundable credit is available to businesses providing a community investment project as defined in UCA §9-2-1801, §9-2-1802 and §9-2-1803.

Contact the Department of Community and Economic Development, 324 S State St., Suite 500, SLC, UT 84111, telephone (801) 538-8781; www.dced.utah.gov or email emeyer@utah.gov to obtain form TC-40TB, certification or for additional information.

(41) Special Needs Adoption Credit (UCA §59-10-133)

There is no form for this credit. Keep all related documents with your records.

A taxpayer who adopts a child with special needs may claim a refundable credit of \$1,000 for each child adopted. This credit may only be claimed in the tax year the court issues the order granting the adoption and may not be carried forward or back.

To claim this credit, permanent custody of the child must have been awarded to the Utah Division of Child and Family Services, and the child must meet one of the following conditions:

- Be five years of age or older;
- Be under the age of 18 with physical, emotional, or mental disability; or
- Be a member of a sibling group (two or more persons) placed together for adoption.

(43) Nonresident Shareholder's Withholding Tax Credit (for non or part-year residents only)

Keep the federal K-1 issued by the corporation and all other related documents with your records. Do not attach to your Utah return.

If you are a Utah nonresident shareholder of an S corporation, you are entitled to a credit for any Utah income tax withheld and paid by the S corporation on your behalf.

Enter the amount of the withholding credit claimed. Also, enter the federal identification number of the S corporation in the space provided. If you have Utah withholding credits from more than one S corporation, enter the federal identification number of the S corporation for which you are claiming the largest amount of withholding.

(46) Mineral Production Withholding Tax Credit

Enter the total of the mineral production tax withheld as shown on forms TC-675R or federal schedule K-1(s) for 2004.

Attach copies of form TC-675R or federal K-1 to the return to receive proper credit. (Attach these forms with other W-2 and 1099 forms.)

(47) Agricultural Off-highway Gas/Undyed Diesel Tax Credit

There is no form for this credit. Keep all related documents with your records.

The credit is 24.5 cents per gallon only for motor fuel and undyed diesel fuel purchased in Utah to operate stationary farm engines and self-propelled farm machinery used solely for commercial nonhighway agricultural use that was taxed at the time of purchase.

Activities that DO NOT qualify for this credit include, but are not limited to, the following: golf courses, horse racing, boat operations, highway seeding, vehicles registered for highway use, hobbies, farming for personal use, etc.

Calculate credit: Gallons _____ x .245 = Credit _____

(48) Farm Operation Hand Tools (UCA §59-10-134.1)

There is no form for this credit. Keep all related documents (receipts, invoices, documents showing amount of sales or use tax paid) with your records.

The refundable credit is allowed for sales and use tax paid on hand tools purchased on or after July 1, 2004 and used or consumed primarily and directly in a farming operation in Utah. The credit only applies if the purchase price of a tool is more than \$250.

32. Total Withholding and Credits

Add lines 28 through 31.

33. Tax Due

If the AMOUNT shown on line 27 is greater than the AMOUNT on line 32, subtract line 32 from line 27. This is the amount you owe.

PAYMENT OPTIONS

You may pay any tax due online with your credit card or with an electronic check (ACH debit) from your checking account. You may pay in full or make partial payments throughout the year. Each online payment is subject to a service fee.

To pay online, access PaymentExpress (paymentexpress.utah.gov) and follow the step-by-step instructions.

You may also mail in your check or money order payable to the Utah State Tax Commission with your return. Be sure to write your social security number, daytime telephone number and "2004 TC-40" on your check. DO NOT STAPLE check to return. DO NOT MAIL CASH. The Tax Commission assumes no liability for loss of cash placed in mail.

Use the envelope provided in this booklet. If you do not have a preprinted envelope, mail your payment and return to the Utah State Tax Commission, 210 N 1950 W, SLC, UT 84134-0266.

ALLOW AT LEAST 90 DAYS FOR YOUR RETURN TO BE PROCESSED.

PENALTY AND INTEREST, if applicable, will be billed. Penalty and interest charges are explained in the "Penalties and Interest" instructions on page 2.

PAYMENT AGREEMENT REQUEST: If you owe tax and are unable to pay all or a portion of the amount owed, you may request a payment agreement by completing form TC-804, "Payment Agreement Request." The form can be obtained at incometax.utah.gov. If approved, you will receive a letter confirming the acceptance of your request.

A payment agreement does not stop the accrual of penalty and interest. If you do not pay in full by the return due date, whether or not you request a payment agreement, any balance due will be subject to penalty and interest and a lien may be filed to secure the debt.

If you do not submit a payment agreement request form, a billing notice for the full amount due, including penalty and interest, will be mailed to you. Upon receiving this notice, you must pay the total amount due, unless you request a payment agreement by completing and mailing form TC-804 or calling (801) 297-7703 or 1-800-662-4335 ext. 7703.

Payments may be submitted prior to approval of the payment agreement or billing notice, per the instructions above.

34. Refund

If the AMOUNT on line 32 is greater than the AMOUNT on line 27, subtract line 27 from line 32. This is your refund.

NOTE: Your refund may be applied to any outstanding federal or state debt owed.

Use the envelope provided in this booklet. To help you get your refund quicker, completely darken the **BLUE** box area on the front of the envelope using **BLACK** ink so that none of the vertical lines show.

If you do not have a preprinted envelope, mail your return to Utah State Tax Commission, 210 N 1950 W, SLC, UT 84134-0260.

35. Refund Applied To 2005 Taxes

If you file by Oct. 17, 2005, you may apply all or part of your refund shown on line 34 as a prepayment for your 2005 Utah income tax liability. Enter the amount of refund you want applied to your 2005 tax on this line. **YOUR REFUND WILL BE REDUCED BY THIS AMOUNT.** Any part of the refund that is not applied to your 2005 tax liability will be refunded to you. Once made, this election cannot be changed.

If you file after October 17, 2005 or if you file an amended return, you cannot apply your refund to next year's tax liability.

36. Direct Deposit

TIP If you choose to deposit your refund directly into your account, you will not receive a check in the mail.

If you want your refund deposited directly into your checking or savings account, enter your financial institution's routing number and your account number.

The check example on page 16 indicates where the routing and checking account numbers are located on your checks. If needed, contact your financial institution and they can provide this information to you.

If for any reason your financial institution rejects your request for direct deposit, you will receive a check by mail instead of direct deposit.

You cannot use Direct Deposit if you are **AMENDING** a return.

Completing The Return Signature

You must sign the return. If the return is a joint return, both husband and wife must sign.

Signature For Deceased

If your spouse died during 2004 or 2005, prior to filing, and you are filing a joint return, write "DECEASED" in the signature block for your spouse. *See additional "deceased" instructions on pages 2 and 4.* If you are not a surviving spouse, attach form TC-131.

Third Party Designee

If you want to allow a friend, family member or other person you choose to discuss your 2004 Utah tax return with the Tax Commission, enter the party's name and telephone number in the "Third Party Designee" area on page 2 of

your Utah return. Also, enter a number (up to 9 digits) the designee chooses as his or her personal identification number (PIN). If you want to allow the paid preparer who signed your return to discuss it with the Tax Commission, just enter "Preparer" in the space for the designee's name. You do not have to provide the other information requested.

If you make entries in the "Third Party Designee" area, you, and your spouse if filing a joint return, are authorizing the Tax Commission to call the designee to answer any questions that may arise during the processing of your return. You are also authorizing the designee to:

- Give the Tax Commission any information that is missing from your return;
- Call the Tax Commission for information about the processing of your return or the status of your refund or payment(s);
- Receive copies of notices or transcripts related to your return, upon request; and
- Respond to certain Tax Commission notices about math errors, offsets and return preparation.

You are not authorizing the designee to receive any refund, bind you to anything (including any additional tax liability), or otherwise represent you before the Tax Commission. If you want to expand the designee's authorization, a power of attorney must be completed and submitted to the Tax Commission.

The authorization will automatically end no later than the due date (without regard to extensions) for filing your 2005 tax return. This is April 17, 2006 for most people. If you wish to revoke the authorization before it ends, submit your request in writing to the Utah State Tax Commission, attention Taxpayer Services, 210 N 1950 W, SLC, UT 84134.

Paid Preparers

The paid preparer must enter his or her name, address, and social security number or PTIN in the section below your signature on the return.

Preparer Penalties: The person who prepares, presents, procures, advises, aids, assists or counsels another on a return, affidavit, claim or similar document administered by the Tax Commission, and who knows or has reason to believe it may understate a tax, fee or charge is subject to both a civil penalty (\$500 per document) and criminal penalties (second degree felony with a fine between \$1,500 to \$25,000). See Utah Code §59-1-401(9) and (10) for specific details.

IRS

All information on your return is compared to information filed with the IRS.

Direct Deposit Example for Line 36

JOHN J. TAXPAYER MARY S. TAXPAYER 900 N 500 W My Town, UT 84000		1234
PAY TO THE ORDER OF _____		\$ _____ DOLLARS
MY TOWN BANK My Town, UT 84000		
FOR _____	Routing number Account number Do not include the check number	1234
⑆ 250250025 ⑆ 000009876543 ⑆ 1234		

Enter routing number

2	5	0	2	5	0	0	2	5
---	---	---	---	---	---	---	---	---

Enter account number

0	0	0	0	0	9	8	7	6	5	4	3
---	---	---	---	---	---	---	---	---	---	---	---

What type of account is it?

☒ Checking account ☐ Savings account

2004 TAX CALCULATION WORKSHEET

1. Select **WORKSHEET A** or **WORKSHEET B** by your filing status from line 1 of your return.
2. Locate the **taxable income column** that matches the taxable income on line 15. For example, if you used WORKSHEET B and your income on line 15 was \$5,500, you would look for the taxable income column that is "\$5,177 to \$6,900."
3. Under the selected **taxable income column**, complete the calculations as instructed on the worksheet.

WORKSHEET A - For Single or Married Filing Separate

Use this worksheet if you checked box 1a or 1d on the front of the return.

If taxable income from line 15 is —➔	\$0 to \$863	\$864 to \$1,726	\$1,727 to \$2,588	\$2,589 to \$3,450	\$3,451 to \$4,313	Over \$4,313
a. Taxable income from line 15						
b. Amount to subtract	— 0	— \$863	— \$1,726	— \$2,588	— \$3,450	— \$4,313
c. Subtotal (subtract b from a)	=	=	=	=	=	=
d. Tax rate	X .023	X .033	X .042	X .052	X .06	X .07
e. Subtotal (multiply c by d)	=	=	=	=	=	=
f. Amount to add	+ 0	+ \$20	+ \$48	+ \$85	+ \$129	+ \$181
g. This is your Utah income tax. (Add lines e and f) Enter on line 16b	=	=	=	=	=	=

WORKSHEET B - For Married Filing Joint, Head of Household, or Qualifying Widow(er)

Use this worksheet if you checked box 1b, 1c or 1e on the front of the return.

If taxable income from line 15 is —➔	\$0 to \$1,726	\$1,727 to \$3,450	\$3,451 to \$5,176	\$5,177 to \$6,900	\$6,901 to \$8,626	Over \$8,626
a. Taxable income from line 15						
b. Amount to subtract	— 0	— \$1,726	— \$3,450	— \$5,176	— \$6,900	— \$8,626
c. Subtotal (subtract b from a)	=	=	=	=	=	=
d. Tax rate	X .023	X .033	X .042	X .052	X .06	X .07
e. Subtotal (multiply c by d)	=	=	=	=	=	=
f. Amount to add	+ 0	+ \$40	+ \$97	+ \$169	+ \$259	+ \$362
g. This is your Utah income tax. (Add lines e and f) Enter on line 16b	=	=	=	=	=	=

SEPARATE AND RETURN ONLY THE BOTTOM PORTION WITH PAYMENT. KEEP TOP PORTION FOR YOUR RECORDS.

Income Tax Payment Coupon

Tax type 04 IT	Tax year this payment is for 2004
--------------------------	---

Make check or money order payable to the Utah State Tax Commission. **Do not send cash. Do not staple.**

For Office Use Only

--

Mail to: Utah State Tax Commission 210 N 1950 W, SLC UT 84134-0200

TC-547
Rev. 3/03

Full name		Social Security no.	
If married, spouse's full name		Spouse's Social Security no.	
Address			
City	State	Zip code	
Payment amount enclosed \$		00	

INCOME PAYMENT